AMERADA HESS CORPORATION

November 28, 1983

P. O. DRAWER "D"
MONUMENT, NEW MEXICO 88265

Joe Ramey State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: E. W. Walden #7
Request to Downhole Commingle the
Blinebry and Drinkard Gas Zones

Dear Mr. Ramey:

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Amerada Hess Corporation is requesting approval for an exception to Rule 303-C to permit downhole commingling of the Blinebry and Drinkard gas-gas zones in the wellbore of the E. W. Walden #7. Administrative order DC-56 gave Amerada Hess the permission to dual complete this well.

These gas zones have experienced wellbore condensate precipitating against the sand faces and with declining bottom hole pressures have been unable to unload themselves of this fluid. Repeated swabs have proven uneconomical to perform due to fluid encroachment returning quickly to the sand faces and placing the well back on marginal production status. If this application is approved, both gas zones will be turned together and placed on sucker rod pump so as to apply a continuous swabbing action in the wellbore and permit the flow of natural gas into the wellbore at a much more economical rate.

In the wellbore, the Blinebry zone is perforated from 5465'-5675' and the Drinkard zone is perforated from 6282'-6470'. Both zones will require artificial lift which in the past has been impractical due to the dual completion. The conclusion to place the well on beam pump was arrived at after pressure surveys were taken from November 9-10 of 1983 and from the past swabbing inefficiencies of each zone. The Blinebry bottom hole pressure was calculated with the method documentated